**Customs Check Posts along Indo-Bangladesh Border**

687. SHRIMATI BIMBA RAIKAR : Will the Minister of FINANCE be pleased to state:

(a) whether a recent survey by South Asia Development Facility supported by International Finance Corporation on trade between Bangladesh and seven North-Eastern States of India, revealed that out of Rs. 342 crores worth of trade in a year, only 52 per cent was done through legal routes;

(b) whether the survey also reveals that the rest of the trade is done through smuggling along the borders; and

(c) what steps are being taken to strengthen custom check posts along Indo-Bangladesh border?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) The jurisdictional Customs authorities were not approached during such survey.

(c) 25 Land Customs Stations and adequate preventive set up are already available between North-Eastern States and Bangladesh.

**Allowing ADB to raise funds from Indian market**

688. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to allow multilateral bodies like Asian Development Bank and International Finance Corporation to raise funds from Indian market through debt securities;

(b) whether the Government would make it obligatory on these bodies to use the funds so raised within India; and

(c) whether any guidelines have been drawn up in this regard and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government of India has permitted the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD) and International Finance Corporation (IFC) to raise funds from the Indian Market through debt

securities. The funds raised by these organisations will be used in the Indian markets. However, they have also been permitted forex swaps subject to conditions.

(c) Some of the terms and conditions for the Rupee Bond issue are: minimum maturity period of 10 years, bond subject to 20% risk weightage at par with bonds issued by the All India Financial Institutions, immunity from collection and payments of tax subject to prescribed conditions, specific clearance for each issue, permission to roll over the bond within the annual ceiling prescribed, permission to swap the rupee funds to foreign exchange with market counter parties based in India, exchange of proceeds of the bonds permitted subject to prescribed conditions, waiver of separate domestic credit rating, listing on NSE/BSE.

**Income Tax Exemption to Urban Development Authorities**

689. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Urban Development Authorities, Housing Boards, and other similar statutory bodies enjoy Income-Tax Exemption u/s 10(20)of the I.T. Act;

(b) if so, whether the exemption has been withdrawn by Government, thereby bringing UDAs, HBs, etc., under the purview of Income Tax Act;

(c) whether such a measure is hampering the infrastructure development activities of such statutory bodies and resultantly their ability to attract indigenous and overseas investment;

(d) whether State Governments have requested for re-introduction of the IT Exemption; and

(e) if so, details in this regard and the Central Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) The Authorities dealing with Housing Accommodation and for the purpose of planning, development or improvement of cities, towns and villages enjoyed income tax exemption u/s 10(20A) of the Income-tax Act, 1961 till the A.Y. 2002-03. However, the said section has been deleted w.e.f. A.Y. 2003-04.